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OAS ACTION AGAINST COMMUNISM IN GUATEMALA

Meeting, May 13, 1954

1. The same officers were again present with Mr. Holland. In addition, John W. Fisher, Guatemalan Desk Officer, and John C. Hill, Second Secretary of the Embassy at Guatemala City, also attended.

2. Brazil: Ambassador Muniz' Trip to Rio. Mr. Holland said that he and Ambassador Muniz had called on Speaker Martin of the House (under the circumstance that Ambassador Muniz had to decline a dinner invitation from the Speaker, because of his trip to Rio), and Ambassador Muniz discussed at this meeting the reasons for his own concern over the problem, which were very convincing; whether he will be able to convince the Brazilian Government will depend, to a great extent, on the evidence. Mr. Hill's brief was shown to Mr. Holland, who said he would read it that night and make any desired changes. Mr. Holland will then take the brief personally to Ambassador Muniz at the Brazilian Embassy tomorrow. Ambassador Muniz told Mr. Holland that the Department should, in his opinion, proceed with approaches to other Latin American Governments after his return from Rio; Colombia and Peru should be the first countries approached. Action with Mexico is something which will have to be studied later. Ambassador Muniz is leaving for Rio on Sunday, May 16, and should be back in Washington by the end of the week with the answer of the Brazilian Government.

3. Walter Donnelly's Acceptance. The acceptance of Mr. Walter Donnelly having been received, Mr. Holland noted that Mr. Donnelly is expected to arrive in New York tonight; he will there speak with high officials of the United States Steel Company concerning his acceptance of this mission.

4. Lleras Camargo's Views. Mr. Holland said he had lunch with Dr. Lleras Camargo, who said that if the case is properly presented he thinks we could get the necessary votes. Mr. Holland told him that he planned to make a speech on Communism in Guatemala, and Lleras thought that Mr. Holland would have to make more than one such talk; he counselled that any talk should not be so strong that the United States would put itself in the position of having no alternative but to go forward with the OAS meeting. It should be kept in mind that the talk would be mainly aimed at Latin American audiences.

5. Mr. Holland's Speech ?. A discussion was then held concerning the draft speech for Mr. Holland's use, possibly next week in his trip to the West Coast. Ambassador Dreier suggested that the draft contained too much detail on the Communist penetration and should be confined to the main points of such penetration rather than including so many details; he also felt the

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present text tends to commit the U.S. to OAS action. Mr. Holland wanted to separate the problem of the U.S. companies from the Communist problem and to emphasize that we were placing reliance on the inter-American system. After considerable discussion it was concluded that it would not be wise for Mr. Holland himself to make a speech at this time at all; that it should be deferred at least until after we know the results of sounding out certain countries. The point was made that Latin American governments might resent being faced with a strong public stand by the United States before they had a chance to make up their own minds -- on the other hand, it was considered that a favorable reaction to Mr. Holland's speech, in Latin America, might serve to influence governments to make up their minds affirmatively.

6. Other Speeches? In further discussion regarding the speech, it was decided that an attack on Communism in Guatemala by others than the Assistant Secretary would seem initially preferable. Senator Wiley's upcoming speech should be encouraged; some other outstanding Americans could come forward, perhaps a retired diplomat of prestige in Latin America, such as Mr. Norman Armour. Governor Muñoz Marin of Puerto Rico would be an ideal U.S. official to make public charges against the Guatemalan tolerance of Communism. Senator Hickenlooper might be asked to make an address, either in the United States or in Latin America. Finally, outstanding Latins should be sought to express their views publicly, since (as Mr. Hill pointed out) we need to cope with the Guatemalan strategy to reduce the problem to a David-Goliath struggle between Guatemala and the United States, and a multilateral expression of concern would beat this Guatemalan game.

Mr. Holland said that these and all other problems connected with this undertaking should, from now on, be held in abeyance for discussion with Mr. Donnelly.

7. Effect of Economic Sanctions. A discussion of the pitfalls of the present action was held in considerable detail; Mr. Hill had emphasized that economic sanctions could produce in Guatemala a state of economic chaos, which the Communists alone would be able to exploit, and might lead to the creation of a fully Communist state. Mr. Hill emphasized the need for some counter force in Guatemala to be relied upon against a Communist seizure of the Government. All possibilities of defeat and danger along the line presently proposed were thrashed out, and Mr. Holland concluded that there is no course without dangerous disagreeable features, but in view of the worldwide collision between the USSR and the free world, there is no alternative but to take action against Guatemala as the situation will only grow worse and our eventual action will be forced. No one could suggest any better course than that presently proposed.

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